

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF NEW YORK

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In re

Chapter 11

RAFI MANOR

Case No: 21-40976

Debtor

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TO: THE HONORABLE NANCY HERSHEY LORD  
UNITED STATES BANKRUPTCY COURT

Urbano Group, LLC, a creditor herein, as and for its motion for relief from the automatic stay pursuant to Section 362(d) and Rules 4001 and 9014 of the Federal Rules of Bankruptcy Procedure by its attorneys, Berger, Fischoff, Shumer, Wexler & Goodman, LLP respectfully represents as follows:

1. Rafi Manor, a/k/a Rafael Manor, filed a petition for relief from creditors pursuant to Chapter 11 of the Bankruptcy Code on April 14, 2021.
2. The Debtor has continued in the possession and management of its business pursuant to §1107 and 1108 of the Bankruptcy Code.
3. The Bankruptcy Court has subject matter jurisdiction over this motion pursuant to 28 U.S.C. §§157 and 1334.
4. Venue is proper in this District pursuant to 28 U.S.C. §§1408 and 1409.
5. The statutory predicates for the relief requested herein are 11 U.S.C. §362(d)(1) of the United States Code (the “Bankruptcy Code”), and Rules 4001 and 9014 of the Federal Rules of Bankruptcy Procedure (the “Rules”).
6. Urbano Group, LLC is a creditor in this case by virtue of a personal guaranty executed by the Debtor in connection with mortgages encumbering the property 438 Herkimer Street,

Brooklyn, New York. Applicant only requests the automatic stay be modified so it can proceed with a foreclosure and have the State Court determine and fix the amount of a deficiency, if any, against the Debtor. Enforcement of the judgment would remain with the Bankruptcy Court.

7. On or about May 3, 2016, 438 Herkimer Villa, LLC, as mortgagor in a commercial transaction (building loan) for the purpose of evidencing indebtedness in the following amount duly executed and delivered a Building Note Promissory Note to S III Capital Group, LLC, whereby 438 Herkimer Villa, LLC promised to pay the sum of \$1,050,000.00 plus interest on the unpaid amount due together with interest and fees in the amount owed exceeds \$1,900,000.00 (of which only \$583,000.00 was actually funded). Simultaneously, Herkimer executed a land loan in the amount of \$600,000.00 which was also personally guaranteed by the Debtor. As of August 16, 2021, the total outstanding balance including interest and legal fees was \$2,002,440.00.
8. For the purpose of securing payment for the said indebtedness, as more fully set forth in said instrument, the said obligor, as mortgagor, 438 Herkimer Villa, LLC on the same day executed, acknowledged and delivered to said S III Capital Group, LLC, as mortgagee, a certain Building Loan Mortgage and Assignment of Leases and Rents and Security Agreement as well as the Land Loan, with the same force and effect as if set forth at length herein, wherein and whereby said 438 Herkimer Villa, LLC, as mortgagor, mortgage to said S III Capital Group, LLC, as mortgagee, certain real property, which mortgage premises are more particularly described in said mortgage.
9. The Mortgage was duly recorded in the Office of the Register of the County of Kings, and the recording data is as follows:

Recorded in the Office of: Register of Kings County Date of Recording May 18, 2016  
CRFN: 2016000171453

10. The Mortgages were assigned to Grande Prezzo, LLC, by an assignment dated March 23, 2017 and recorded on May 4, 2017 in CRNF: 2017000169921 in the Office of the Kings County Register.
11. The Mortgages were subsequently assigned to Urbano Group, LLC by an assignment dated December 13, 2018 and recorded on December 17, 2018 in CRFN: 20180000413677 in the office of the Kings County Register.
12. Defendant Rafi Manor, duly entered into an agreement by which he personally guaranteed the indebtedness of the defendant 438 Herkimer Villa LLC relative to, among other things, the Building and Land loans.
13. The promissory note and mortgage dated May 13, 2017 provided for a maturity date of October 31, 2017. The loan was not paid when it came due. Thereafter, Urbano Group commenced an action in the Supreme Court for the State of New York, Kings County to foreclose its lien upon the real property. Thereafter, on or about December 9, 2019, the complaint was amended for a second time. A copy of the second amended complaint is annexed hereto as Exhibit "A" together with all of the loan documents referenced above.
14. The Debtor was named solely as individual defendant as a guarantor in the event there was a deficiency after the foreclosure.
15. As a result of the bankruptcy filing the entire foreclosure process is stayed.
16. Urbano is now requesting the Court modify the automatic stay to allow the foreclosure action to proceed against all parties and with the amount of the deficiency, if any, against the Debtor be fixed by the State Court with enforcement and collection reserved for the Bankruptcy Court.

17. It is submitted that the requested relief is appropriate here because the mortgage being foreclosed is against property that is not property of the estate and is not necessary for the Debtor's reorganization efforts. The Debtor's schedule "A/B", a copy of which is annexed hereto as Exhibit "B", lists various corporate entities but does not include 438 Herkimer Villa, LLC, confirming the Defendant LLC is not property of the estate.

WHEREFORE, Urbano Group LLC requests this Court enter an order granting the motion.

Dated: Syosset, New York  
August 16, 2021

Respectfully submitted,

BERGER, FISCHOFF, SHUMER,  
WEXLER & GOODMAN, LLP  
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